

# California Cost Comparison Summary

All costs Per Cow/Per Month

| <b>Production Cost Comparison<br/>First Quarter 2006</b> | <b>North<br/>Coast</b> | <b>North<br/>Valley</b> | <b>South<br/>Valley</b> | <b>Southern<br/>California</b> | <b>State<br/>Average /1</b> |
|----------------------------------------------------------|------------------------|-------------------------|-------------------------|--------------------------------|-----------------------------|
| <b>Number of Herds</b>                                   | <b>19</b>              | <b>86</b>               | <b>64</b>               | <b>9</b>                       | <b>178</b>                  |
| <b>Feed Costs</b>                                        |                        |                         |                         |                                |                             |
| a. Dry Roughage                                          | \$61.05                | \$31.10                 | \$32.50                 | \$41.28                        | \$33.65                     |
| b. Wet Feed & Wet Roughage                               | \$9.36                 | \$24.16                 | \$22.35                 | \$13.49                        | \$21.75                     |
| c. Concentrates                                          | \$57.17                | \$58.72                 | \$59.10                 | \$54.92                        | \$58.50                     |
| d. Minerals & Supplements                                | \$2.90                 | \$7.25                  | \$6.10                  | \$4.55                         | \$6.27                      |
| e. Pasture                                               | \$0.00                 | \$0.00                  | \$0.00                  | \$0.00                         | \$0.00                      |
| <b>Total Feed Costs</b>                                  | <b>\$130.47</b>        | <b>\$121.23</b>         | <b>\$120.04</b>         | <b>\$114.25</b>                | <b>\$120.16</b>             |
| <b>Total Feed Costs (\$/cwt.)</b>                        | <b>\$8.79</b>          | <b>\$6.82</b>           | <b>\$6.53</b>           | <b>\$6.31</b>                  | <b>\$6.66</b>               |
| Total Feed Costs (% of total Cost)                       | 57.3%                  | 55.3%                   | 55.7%                   | 53.6%                          | 55.4%                       |
| <b>Total Hiring Labor</b>                                | <b>\$29.34</b>         | <b>\$29.11</b>          | <b>\$25.29</b>          | <b>\$27.74</b>                 | <b>\$27.00</b>              |
| <b>Total Hiring Labor Costs (\$/cwt.)</b>                | <b>\$1.98</b>          | <b>\$1.64</b>           | <b>\$1.38</b>           | <b>\$1.53</b>                  | <b>\$1.50</b>               |
| Total Labor Costs (%of total cost)                       | 12.9%                  | 13.3%                   | 11.7%                   | 13.0%                          | 12.5%                       |
| <b>Herd Replacement</b>                                  | <b>\$27.18</b>         | <b>\$32.73</b>          | <b>\$35.96</b>          | <b>\$34.82</b>                 | <b>\$34.46</b>              |
| <b>Total Replacement Costs (\$/cwt.)</b>                 | <b>\$1.83</b>          | <b>\$1.84</b>           | <b>\$1.96</b>           | <b>\$1.92</b>                  | <b>\$1.91</b>               |
| Total Replacement Costs (%of total cost)                 | 11.9%                  | 14.9%                   | 16.7%                   | 16.3%                          | 15.9%                       |
| <b>Operating Costs</b>                                   |                        |                         |                         |                                |                             |
| a. Utilities                                             | \$5.94                 | \$5.00                  | \$3.84                  | \$5.10                         | \$4.44                      |
| b. Supplies                                              | \$9.15                 | \$8.30                  | \$8.26                  | \$8.55                         | \$8.33                      |
| c. Veterinary & Medicine                                 | \$5.83                 | \$8.46                  | \$7.34                  | \$4.52                         | \$7.42                      |
| d. Outside Services                                      | \$2.52                 | \$3.60                  | \$3.16                  | \$2.76                         | \$3.26                      |
| e. Repairs & Maintenance                                 | \$6.12                 | \$5.79                  | \$5.27                  | \$4.97                         | \$5.44                      |
| f. Miscellaneous                                         | \$0.84                 | \$0.81                  | \$1.17                  | \$1.14                         | \$1.03                      |
| g. Bedding & Manure Haul                                 | \$2.97                 | \$1.18                  | \$0.60                  | \$2.43                         | \$1.05                      |
| h. Fuel & Oil                                            | \$2.96                 | \$2.33                  | \$2.17                  | \$1.38                         | \$2.17                      |
| i. Interest Expense                                      | \$1.15                 | \$1.13                  | \$2.24                  | \$3.25                         | \$1.92                      |
| j. R E Lease Expense                                     | \$2.85                 | \$0.62                  | \$3.17                  | \$5.23                         | \$2.46                      |
| k. Depreciation                                          | \$4.23                 | \$5.08                  | \$6.09                  | \$3.25                         | \$5.40                      |
| l. Taxes & Insurance                                     | \$1.63                 | \$1.96                  | \$1.84                  | \$1.99                         | \$1.89                      |
| <b>Total Operating Costs</b>                             | <b>\$46.19</b>         | <b>\$44.26</b>          | <b>\$45.15</b>          | <b>\$44.55</b>                 | <b>\$44.80</b>              |
| <b>Total Operating Costs (\$/cwt.)</b>                   | <b>\$3.11</b>          | <b>\$2.49</b>           | <b>\$2.46</b>           | <b>\$2.46</b>                  | <b>\$2.48</b>               |
| Total Operating Costs (%of total costs)                  | 20.3%                  | 20.2%                   | 21.0%                   | 20.9%                          | 20.7%                       |
| <b>Milk Marketing Costs</b>                              |                        |                         |                         |                                |                             |
| a. Hauling                                               | \$6.53                 | \$5.79                  | \$5.12                  | \$6.65                         | \$5.55                      |
| b. State Assessments                                     | \$2.33                 | \$2.36                  | \$2.32                  | \$2.37                         | \$2.34                      |
| c. Federal Assessments & Misc. Ded.                      | \$0.76                 | \$0.96                  | \$1.00                  | \$0.93                         | \$0.97                      |
| <b>Total Milk Marketing Costs</b>                        | <b>\$9.62</b>          | <b>\$9.11</b>           | <b>\$8.45</b>           | <b>\$9.95</b>                  | <b>\$8.86</b>               |
| <b>Total Milk Marketing Costs (\$/cwt.)</b>              | <b>\$0.65</b>          | <b>\$0.51</b>           | <b>\$0.46</b>           | <b>\$0.55</b>                  | <b>\$0.49</b>               |
| Total Milk Marketing Costs (% of total costs)            | 4.2%                   | 4.2%                    | 3.9%                    | 4.7%                           | 4.1%                        |
| <b>Less: Misc. Income (\$/Cow/Month)</b>                 | <b>\$14.99</b>         | <b>\$17.36</b>          | <b>\$19.41</b>          | <b>\$18.21</b>                 | <b>\$18.44</b>              |
| <b>Total Cost (\$/Cow/Month)</b>                         | <b>\$227.81</b>        | <b>\$219.08</b>         | <b>\$215.49</b>         | <b>\$213.10</b>                | <b>\$216.85</b>             |
| <b>Total Cost (\$/cwt)</b>                               | <b>\$15.35</b>         | <b>\$12.32</b>          | <b>\$11.72</b>          | <b>\$11.76</b>                 | <b>\$12.01</b>              |
| <b>Return on Investment and Management</b>               |                        |                         |                         |                                |                             |
| a. Allowance: Return on Investment (\$/cwt.)             | \$1.07                 | \$1.01                  | \$1.04                  | \$0.81                         | \$1.02                      |
| b. Allowance: Return on Management (\$/cwt.)             | \$0.51                 | \$0.49                  | \$0.48                  | \$0.50                         | \$0.49                      |
| <b>Total Costs and Allowances (\$/cwt)</b>               | <b>\$16.93</b>         | <b>\$13.82</b>          | <b>\$13.24</b>          | <b>\$13.07</b>                 | <b>\$13.52</b>              |
| <b>Milk Production Data</b>                              |                        |                         |                         |                                |                             |
| a. Milk Sold/Total Cow/Month/ (cwt.)                     | 14.84                  | 17.79                   | 18.39                   | 18.11                          | 18.05                       |
| b. Lbs Milk Sold/milk cow/day                            | 59.24                  | 68.25                   | 69.42                   | 69.07                          | 68.70                       |
| f. Fat Test %                                            | 3.90%                  | 3.87%                   | 3.73%                   | 3.65%                          | 3.78%                       |
| g. SNF Test %                                            | 8.88%                  | 8.91%                   | 8.86%                   | 8.80%                          | 8.87%                       |
| <b>Related Data</b>                                      |                        |                         |                         |                                |                             |
| l. Avg Number of Cows per Herd                           | 309                    | 753                     | 1,611                   | 967                            | 1,207                       |
| m. Average Total Investment per Cow                      | \$2,252                | \$2,668                 | \$2,957                 | \$2,134                        | \$2,752                     |
| <b>Milk Volume Percentages</b>                           | <b>2.70%</b>           | <b>35.50%</b>           | <b>51.76%</b>           | <b>10.04%</b>                  | <b>100.00%</b>              |

1/ Weighted average computed based on first quarter of 2006 milk volume percentages.